

SENATOR MARVEL: Clerk record.

CLERK: 26 ayes, 0 nays. Mr. President, Senator Venditte and Senator Lamb, DeCamp, Schmit, Burrows, and Kahle offer a Legislative Resolution number 60 directing the Ag and Environment Committee to perform an interim study of solid waste management and disposal in Nebraska and to report its findings to the next session of the Legislature. (Refer to page 1570).

SENATOR MARVEL: It's referred to the Executive Board. Senator Lewis.

SENATOR F. LEWIS: My bill is next and I was going to ask unanimous consent to bracket LB 99 to May 1.

SENATOR MARVEL: Is there an objection? So ordered. Senator Burrows, what do you wish to do with 192?

SENATOR BURROWS: Mr. Chairmar, I would just as soon proceed with it.

SENATOR MARVEL: What is the status of 192?

CLERK: Read LB 192. There are no committee amendments, Mr. President. There are some amendments Senator Burrows offers to the bill found on page 1546 of the Journal.

SENATOR MARVEL: Senator Burrows.

SENATOR BURROWS: Mr. Chairman, members of the Legislature. This is a bill that we've been working on...this is the third year of work on a concept of changing the support of K-12 education from property tax to an adjusted gross income tax at the local level. The personal return is a local tax collected by the Tax Commissioner based upon the budget of the school and the income base the previous years adjusted gross income base of the district. Now the way the adjusted gross income base is figured, it goes to the federal return on the adjusted gross line which is income after expenses are subtracted and add backs to the half of capital gains, depletion, advertiseable bond premiums, and I believe one other add back. We have attempted to make it an income tax with a minimum of loopholes which we feel we've got about all the loopholes we can take from the federal return to get a capture of the total income of the individual has a choice of spending. From that is deducted a maximum deduction on a joint return of \$2000 and on a single return a deduction of \$1000. This creates the income base of the district. Now on property tax, we've had...maybe I better go ahead with the rest of the bill. The Tax Commissioner then collects this tax and returns it to that local district on the return. The individual return is supplemented by a corporate tax that is based starting the first year at a 4% rate and then at the average rate of the individual returns of the state which appears to be on the last years base about 4 and would range probably from 3.6 to 4 of the last few years history. The corporate fund is then first used to fund those districts that have insufficient income to pay average per pupil cost or their district budgets whichever is lower. Second, to create a corporate pool of \$30 million to take care of emergency situations and any excess from that in the corporate fund is then fed back on the basis equally per pupil across the districts of the state. It provides further that a backun